

SECRET

Journal - Office of Legislative Counsel
Monday - 13 April 1970

Page 5

16. (Secret - JGO) Met with Mr. Jerome Adlerman, General Counsel, and Mr. Donald O'Donnell, Chief Counsel, Senate Permanent Subcommittee on Investigations, and gave them a copy of the Tunney interview reported in this week's New Yorker. They were appreciative. Mr. Adlerman advised that the Subcommittee has conducted rather extensive investigations in the past of dope traffic in Indochina. The Subcommittee findings can be made available for our review if desired. I thanked Mr. Adlerman for the offer.

25X1A

JOHN M. MAURY
Legislative Counsel

cc:
ER
O/DDCI

25X1A

Mr. Houston
Mr. Goodwin
DDI
DDS
DDS&T
EA/DDP
OPPB
Item 3 - OP
Item 4 - WH

SECRET

SMUGGLING OF FUNDS FROM SAIGON IS SEEN

Special to The New York Times

WASHINGTON, March 4—American civilian pilots are illegally flying about \$400,000 weekly in checks and cash out of Saigon to block market money changers in Bangkok, Thailand, according to Senator Abraham A. Ribicoff, Democrat of Connecticut.

During hearings of his Senate Permanent Investigations subcommittee, the Senator also charged that thousands of dollars from a international fund—primarily financed by the United States and established to help stabilize the Laotian currency—had been diverted to an account used by black market operators at the Manufacturers Hanover Trust Company in New York City.

The charges came as Assist-

ant Treasury Secretary Eugene T. Rossides was reading a 23-page prepared statement detailing attempts by the Administration to control illicit money operations in South Vietnam and disclosing plans to prosecute military and civilian personnel involved in illegal activities in South Vietnam.

The Senator broke in and said that checks totaling at least \$45,000 from the international fund had been deposited in the "Prysumeen account" at the New York Bank.

The account was identified as a conduit for black market money flowing out of Vietnam at hearings last fall.

Mr. Rossides said that he was unable to comment immediately on the Senator's charges, but he promised that his department would "investigate immediately and report back to you as soon as we can."

5 MAR 1970

Charges Laos Black Market Money Deals

BY FRED FARRAR

(Chicago Tribune Press Service)

Washington, March 4—Sen. Abraham Ribicoff (D., Conn.), charged today that black market currency manipulations have spread from Viet Nam to Laos and American pilots are involved.

Ribicoff made the charge as his Senate permanent investigations subcommittee reopened hearings into the misuse of noncommissioned officers club funds and black market currency dealings in Viet Nam.

Ribicoff did not elaborate on the currency black market in Laos, except to say that the kip, the basic Laotian unit of currency, is involved and profits from the transactions have been funneled into bank accounts in the United States.

Operated by CIA

He also did not specify whether he was talking about military or civilian pilots. Two private air lines operated by the central intelligence agency use civilian pilots to fly supply and other missions thruout much of Laos.

Ribicoff's allegations came after Secretary of the Army Stanley Resor disclosed in a statement to the subcommittee that the army's continuing investigation of club fund irregularities have uncovered "a few additional incidents of possible misconduct apparently unrelated to the incidents highlighted in your hearings."

Declines to Tell Details

Subcommittee investigators were the first to uncover evidence of irregularities in the use of club funds. Last fall the subcommittee held extensive public hearings on that matter and on black market currency manipulations in Viet Nam by



Sen. Abraham Ribicoff

American military men and civilians there.

Resor declined to give details of the new cases in today's public session because, he said, of "the possibility of criminal actions in these cases."

Resor also said that two army use by various police retired Maj. Gen. Carl Turner, former army provost marshal, have been completed and "in accordance with an agreement with the department of justice, copies have been made available to the internal revenue service."

Turner allegedly sold firearms he had been given for army use by various police departments, including Chicago's.

Could Mean Single Trial

Resor said that information turned over to the justice department about five present and former army sergeants who formed a company to sell supplies to service clubs "could result in a single trial of all five individuals."